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**FOREIGN SHARE OF THE JAPANESE SEMICONDUCTOR MARKET
FALLS IN FIRST QUARTER 1998**

The foreign share of the Japanese semiconductor market fell to 31.7% in the first quarter of 1998, a 1 percentage decline from the 32.7% registered in the fourth quarter of 1997, and the lowest share since the fourth quarter of 1996. Foreign share of the Japanese market averaged 33.3% in 1997, up from an average of 27.5% in 1996.

Sales from all export regions declined. However, the share remained flat or increased slightly for all regions except Korea where sales fell by nearly one-third from the previous quarter. The Japanese market, which registered a 10% decline in the fourth quarter 1997, fell by another 4 percent in the first quarter 1998, reflecting sagging demand in computers and other products.

“We are carefully watching the semiconductor situation in Japan, which graphically demonstrates the negative effects of the current recession/downturn in the Japanese economy,” said Ambassador Charlene Barshefsky. “That U.S. semiconductor companies have been able to maintain their market share in a declining Japanese market is a tribute to the competitiveness of U.S. products.”

One of the key elements of the 1996 semiconductor agreement is the provision for cooperative activities between foreign semiconductor suppliers and Japanese users, in areas such as automotive, telecommunications and emerging applications. “We are pleased by the high level of interest shown by U.S. suppliers and Japanese users in the industry cooperative activities taking place under the framework of the 1996 U.S.-Japan semiconductor agreement and look forward to seeing another full program of activities in 1999,” Ambassador Barshefsky said.

Foreign Market Share

Q3 1991	14.3%
Q4 1991	14.4%
Q1 1992	14.6%
Q2 1992	16.0%
Q3 1992	15.9%
Q4 1992	20.2%
Q1 1993	19.6%
Q2 1993	19.2%
Q3 1993	18.1%
Q4 1993	20.7%
Q1 1994	20.7%
Q2 1994	21.9%
Q3 1994	23.2%
Q4 1994	23.7%
Q1 1995	22.8%
Q2 1995	22.9%
Q3 1995	26.2%
Q4 1995	29.6%
Q1 1996	26.9%
Q2 1996	26.4%
Q3 1996	27.1%
Q4 1996	29.4%
Q1 1997	32.6%
Q2 1997	35.8%
Q3 1997	32.1%
Q4 1997	32.7%
Q1 1998	31.7%